

MAY 2 2 2024 DEPT. OF REAL ESTATE

Ву.

#### BEFORE THE DEPARTMENT OF REAL ESTATE

#### STATE OF CALIFORNIA

In the Matter of the Accusation of:	)	DRE No. 1	
RONALD D RITTER,	)		H-42770 LA
Respondent(s).	)		

### **DECISION**

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on , and the Findings of Fact set forth herein, which are based on one or more of the following: (1) The express admissions of Respondent, RONALD D RITTER ("Respondent"); (2) affidavits; and (3) other evidence.

This Decision revokes one or more real estate licenses on the grounds of the violation of the Real Estate Law, Part 1 commencing with Section 10000 of the Business and Professions Code ("Code") and/or the Regulations of the Real Estate Commissioner, Title 10, Chapter 6 of the California Code of Regulations ("Regulations").

Pursuant to Government Code Section 11521, the California Department of Real Estate ("the Department") may order reconsideration of this Decision on petition of any party. The party seeking reconsideration shall set forth new facts, circumstances, and evidence, or errors in law or analysis, that show(s) grounds and good cause for the Commissioner to reconsider the Decision. If new evidence is presented, the party shall specifically identify the new evidence and explain why it was not previously presented. The Department's power to order reconsideration of this Decision shall expire 30 days after mailing of this Decision, or on the effective date of this Decision, whichever occurs first. The right to reinstatement of a revoked real estate license, or to the reduction of a penalty, is controlled by Section 11522 of the Government Code. A copy of Government Code Sections 11521 and 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

#### FINDINGS OF FACT

1.

On May 7, 2024, Ray Dagnino made the Accusation, on behalf of Jason Parson, in his official capacity as a Supervising Special Investigator of the Department. The Accusation,

Statement to Respondent, and Notice of Defense were mailed, by certified mail, return receipt requested, to Respondent's last known mailing address on file with the Department on May 7, 2024.

On May 22, 2024, no Notice of Defense having been received or filed herein within the time prescribed by Section 11506 of the Government Code, Respondent's default was entered herein.

2.

Respondent is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a real estate salesperson. Respondent's real estate salesperson license expired on May 22, 2022. Pursuant to Code Section 10103, the Department retains jurisdiction.

3.

To date, the Department has incurred investigation costs (\$4,051.36) and enforcement costs (\$504.00), for a combined total of \$4,555.36.15. Respondent RITTER shall pay these costs, jointly and/or severally with the other Respondents in this matter, Respondents NO WHINNING INC, and GERALD ROBERT ALLGOWER, to the Department upon the filing by Respondent RITTER of a petition for reinstatement pursuant to Government Code section 11522, or upon the filing by Respondent RITTER of an application for a real estate license.

4.

At all times mentioned, in the County of San Bernardino, California, Respondent RITTER acted as a real estate salesperson, conducting licensed activities within the meaning of Code Section 10131, subdivision (a) (sells, buys, or negotiates the purchase, sale or exchange of real property).

5.

Attached as Exhibit "A" is a true and correct copy of the Accusation filed on July 5, 2023, which is incorporated herein as part of this Decision.

#### **DETERMINATION OF ISSUES**

6.

The allegations contained in the Accusation, incorporated herein by reference made in Paragraph 5, above, constitute cause for the suspension or revocation of all the licenses, license endorsements, and license rights of Respondent under the provisions of Business and Professions Code sections 10130, 10177(d) and/or 10177(g).

7.

The standard of proof applied was clear and convincing evidence to a reasonable certainty.

### **ORDER**

All licenses and licensing rights of Respondent RONALD D RITTER under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on May 22, 2024.

DATED: 5/22/2024

CHIKA SUNQUIST REAL ESTATE COMMISSIONER

By: Marcus L. McCarther

Chief Deputy Real Estate Commissioner

Department of Real Estate 320 West Fourth St, Ste 350 Los Angeles, CA, 90013



BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of:	)	DRE NO. <i>H-42770 LA</i>
RONALD D RITTER,	)	DEFAULT ORDER
Respondent.	)	
	)	

Respondent RONALD D RITTER, having failed to file a Notice of Defense within the time required by Section 11506 of the Government Code, is now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED MAY 22, 2024.

CHIKA SUNQUIST REAL ESTATE COMMISSIONER

By:
TRICIA D. PARKHURST
Assistant Commissioner, Enforcement

# EXHIBIT A

# **EXHIBIT A**

DRE License identification number ("License ID") 00854895, and was licensed from on or about

Respondent NWI currently has licensing rights as a real estate corporation ("REC"),

3.

27

28

October 4, 1983, to on or about February 28, 2024, at which time NWI's license expired. The DRE maintains jurisdiction pursuant to Code section 10103. From on or about February 29, 2020, through on or about February 28, 2024, NWI was licensed through the real estate broker ("REB") license of ALLGOWER, License ID 00906105, and ALLGOWER was the designated officer ("D.O."). NWI maintained multiple fictitious business names ("dbas") licensed by the DRE, including but not limited to the following:

- a. "Best Canyon Properties," active from March 8, 2018 to February 29, 2024;
- b. "Best Mountain Properties," active from September 17, 2018, to February 29,
   2024;
  - c. "Best Properties," active from May 8, 2017, to February 29, 2024;
  - d. "Just Results Realty," active from May 8, 2017, to February 29, 2024.
- 4. Respondent ALLGOWER has been licensed by the Department as a REB, License ID 00906105, from on or about December 6, 1993, through the present, with ALLGOWER's license scheduled to expire on December 5, 2025, unless renewed. ALLGOWER was the D.O. for NWI from on or about February 29, 2020, through on or about February 28, 2024, at which time ALLGOWER's officer license expired. ALLGOWER was previously a real estate salesperson ("RES") from on or about December 27, 1985, to on or December 5, 1993.
- 5. Respondent RITTER currently has license rights licensed with no broker affiliation, or NBA, as a RES, License ID 01239330. RITTER was previously licensed by the Department as a RES from on or about May 23, 1998, through on or about May 22, 2022, at which time RITTER's license expired. The DRE maintains jurisdiction pursuant to Code section 10103. As is relevant to this Accusation: from on or about March 2, 2020, to on or about May 22, 2022, RITTER was employed by NWI; on or about May 23, 2022, RITTER's license expired and has not been renewed.

#### **BROKERAGE: NWI**

6. At all times mentioned, in San Bernardino County, NWI acted as a real estate broker, conducting licensed activities within the meaning of Code section 10131(a): selling and buying real property for others. At all times mentioned, NWI conducted such licensed activities for compensation or in expectation of compensation. At all times mentioned, NWI acted by and through

ALLGOWER as its D.O. pursuant to Code Section 10159.2 who was responsible for ensuring compliance with the Real Estate Law.

#### FACTS DISCOVERED BY DRE

- 7. All real estate activity engaged in by RITTER from May 23, 2022, to the present, occurred during a time when RITTER's RES license was expired.
- 8. On or about September 8, 2022, the DRE received a complaint from T.M. Pregarding NWA, dba Best Properties, and RITTER, alleging that RITTER has been actively participating in licensed activities since the expiration of his license on May 22, 2022, including listing properties in which T.M.'s office participated as the selling agent, and submitting offers on properties which T.M.'s office was the listing agent. Upon being notified that RITTER's license had expired, ALLGOWER claimed he was unaware RITTER's license had expired. T.M. claims that ALLGOWER took a purchase contract for a property and superimposed his initials and name as the selling agent, but that RITTER continued to offer properties as a licensed RES using an expired license.
- 9. T.M. provided MLS listings showing that RITTER, on behalf of Best Properties, one of NWI's dbas, was the listing agent for Sellers of the following properties:
  - a. 44 Seven Oaks, Angelus Oaks, California (according to MLS: listing contract date of on or about April 23, 2022, escrow closed on or about June 11, 2022);
  - b. 5916 Mountain Home Creek Road, Angelus Oaks, California (according to MLS: listing contract date of on or about June 17, 2022, escrow closed on or about August 10, 2022);
  - c. 6164 Oak Avenue, Angelus Oaks, California (according to MLS: listing contract date of on or about April 22, 2022, escrow closed on or about June 8, 2022);
- 10. ALLGOWER provided the DRE with an unsigned copy of a Residential Listing Agreement ("RLA") dated June 6, 2022, apparently prepared by RITTER, granting RITTER, as the

<sup>&</sup>lt;sup>1</sup> Initials are used in place of an individual's full name to protect their privacy. Documents containing the individuals' full names will be provided during the discovery phase of this case to Respondents and/or their attorney(s), after service of a timely and proper request for discovery on Complainant's counsel.

 agent of Best Properties, the exclusive right to sell property located at 5916 Mountain Home Creek Road, Angelus Oaks, California ("Mountain Home Property") on behalf of the Sellers D.J. and R.J.

- 11. On or about July 12, 2022, RITTER signed a California Residential Purchase Agreement and Joint Escrow Instructions ("RPA") as the listing agent for Best Properties on behalf of D.J. and R.J., trustees and sellers ("Sellers") of the Mountain Home Property. The Sellers also signed the RPA for the Mountain Home Property on or about July 12, 2022. E.A.S., the buyer of the Mountain Home Property, was represented by Glimore Real Estate ("Gilmore"), a dba for REC Southern Sierras Inc., License ID 01294178.
- 12. On or about July 14, 2022, RITTER sent an e-mail message to Bridget Miranda ("Miranda"), escrow officer for Lawyers Title Company, requesting that she open a new escrow for the Mountain Home Property. On or about July 15, 2022, Miranda replied by e-mail, asking RITTER about the commission percentage. The same day, RITTER replied by e-mail to Miranda, indicating that the commission should be "50-50 on 6%."
- 13. On or about August 10, 2022, escrow on the Mountain Home Property closed. On or about August 10, 2022, RITTER sent an e-mail message regarding the Mountain Home Property to Miranda stating, "leave the [Buyer's broker] Gillmore Commission at 3% of 248,400 but Best Properties at 3% of only \$240,000."
- 14. On or about August 11, 2022, Lawyers Title Company issued a check from the escrow account for the Mountain Homes Property payable to Best Properties, as the Sellers' broker, in the amount of \$7,200, which is three percent (3%) of \$240,000.
- 15. On or about September 20, 2022, ALLGOWER signed a check payable to RITTER in the amount of \$5,420.00, with the notation "5916 Mtn Home." The check was issued from an NWI bank account ending in 6955 maintained at U.S. Bank.
- 16. ALLGOWER stated that he was not aware that RITTER's license had expired before the RPA for the Mountain Home Property was executed. ALLGOWER also stated that he did not have an active supervision plan in place for his brokerage to verify when RITTER's license expired.

///

# **VIOLATIONS OF THE REAL ESTATE LAW – CAUSES FOR DISCIPLINE**

17. In the course of the activities described above in Paragraph 6, and based on the facts discovered by the DRE, as described in Paragraphs 7 through 16 above, Respondents acted in violation of the Code and Regulations as follows.

# FIRST CAUSE OF ACCUSATION AGAINST RITTER

#### (ACTIVITIES REQUIRING A LICENSE)

- 18. The Complainant realleges and incorporates by reference all of the allegations contained in paragraphs 1 through 17 above with the same force and effect as though fully set forth herein.
- 19. From on or about May 3, 2022, through on or about August 10, 2022, RITTER engaged in the business of, acted in the capacity of, or assumed to act as a real estate salesperson within the State of California within the meaning of Code section 10131(a), for or in expectation of compensation through his acts and/or omissions, as alleged above in Paragraphs 7 through 15, while his RES license was expired. RITTER's acts and/or omissions as alleged herein were in violation of Code sections 10130, and 10177(d) and/or 10177(g), and constitute cause to suspend or revoke the real estate licenses and license rights of Respondent RITTER pursuant to Code sections 10177(d) and/or 10177(g).

# SECOND CAUSE OF ACCUSATION AGAINST NWI

# (UNLAWFUL PAYMENT OF COMPENSATION)

- 20. The Complainant realleges and incorporates by reference all of the allegations contained in paragraphs 1 through 19 above with the same force and effect as though fully set forth herein.
- 21. NWI's acts and/or omissions in retaining and compensating RITTER for performing real estate activities requiring a real estate license from on or about May 3, 2022, through on or about September 20, 2022, while RITTER's RES license was expired were in violation of Code sections 10137, and 10177(d) and/or 10177(g), and constitute cause to suspend or revoke the real estate licenses and license rights of Respondent NWI pursuant to Code sections 10177(d) and/or 10177(g).

#### THIRD CAUSE OF ACCUSATION AGAINST NWI

# (BREACH OF FIDUCIARY DUTY)

- 22. The Complainant realleges and incorporates by reference all of the allegations contained in paragraphs 1 through 21 above with the same force and effect as though fully set forth herein.
- 23. At all relevant times herein, while acting as a real estate broker and agent of D.J. and R.J., sellers of the Mountain Home Property, NWI owed D.J. and R.J. fiduciary duties, including, but not limited to the following: duty of reasonable care and skill; duty of good faith; duty of loyalty; duty of diligence; duty to avoid conflicts of interest; duty of fullest disclosure of all material facts affecting D.J.'s and R.J.'s rights and interests, including the right and interest in having the sale of the Mountain Home Property be handled by a licensed RES. NWI had a duty to know whether RITTER's license had expired, and a duty, pursuant to Code section 10137, to only retain licensed real estate brokers and real estate salespersons to engage in real estate activities requiring a license.
- 24. NWI's acts and/or omissions in failing to discovery that RITTER's RES license expired on May 23, 2022, and to inform D.J. and R.J. that RITTER's RES license had expired prior to D.J. and R.J. retaining RITTER to sell the Mountain Home Property, were in violation of Code sections 10177(d) and/or 10177(g), constitute a breach of NWI's fiduciary duties to D.J. and R.J., and constitute cause to suspend or revoke the real estate licenses and license rights of Respondent NWI pursuant to Code sections 10177(d) and/or 10177(g).

# **FOURTH CAUSE OF ACCUSATION AGAINST ALLGOWER**

# (RESPONSIBILITY OF CORPORATE OFFICER IN CHARGE; BROKER SUPERVISION)

- 25. The Complainant realleges and incorporates by reference all of the allegations contained in paragraphs 1 through 24 above with the same force and effect as though fully set forth herein.
- 26. Based on the allegations above Paragraphs 6 through 16, and the allegations above in the First through Third Causes of Accusation, as the broker and designated officer of NWI, ALLGOWER did not exercise adequate supervision and control over the NWI's real estate sales activities conducted on behalf of NWI by its employees and licensees to ensure compliance with the

- 1	9
1	Real Estate Laws and Regulations. ALLGOWER failed to establish policies, rules, procedures, and
2	systems to review, oversee, inspect, and manage transactions requiring a real estate license by
3	NWI's licensees and employees.
4	27. ALLGOWER's acts and/or omissions were in violation of Code section 10159.2
5	and Regulation 2725 and constitute cause to suspend or revoke the real estate licenses and license
6	rights of Respondent ALLGOWER pursuant to Code sections 10177(h), and 10177(d) and/or
7	10177(g).
8	COSTS
9	(INVESTIGATION AND ENFORCEMENT COSTS)
10	28. Code section 10106 provides, in pertinent part that in any order issued in resolution
II	of a disciplinary proceeding before the DRE, the Commissioner may request the administrative law
12	judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed
13	the reasonable costs of investigation and enforcement of the case.
14	WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this
15	Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against
16	all the licenses and license rights of Respondents NO WHINNING INC, GERALD ROBERT
17	ALLGOWER, and RONALD D. RITTER under the Real Estate Law, for the costs of investigation
18	and enforcement as permitted by law, and for such other and further relief as may be proper under
19	other applicable provisions of law.
20	Dated at Los Angeles, California MAY 7, 2024
21	
22	Jason Parson
23	Supervising Special Investigator
24	
25	cc: NO WHINNING INC
26	GERALD ROBERT ALLGOWER RONALD D. RITTER
27	Jason Parson Sacto